


Memorandum

To: All State Agencies, Boards,
Commissions, and Departments

Date: April 20, 2016

From: State Controller's Office 
Casandra Moore-Hudnall, Chief
Division of Accounting and Reporting

BAC #: 15-004

Subject: YEAR-END PROCEDURES FOR FISCAL YEAR 2015-16

The State Controller's Office (SCO) annually notifies all State agencies of pertinent dates for the year-end process, in order to facilitate closing of the fiscal year. This memo establishes the fiscal year-end 2015-16 deadlines.

In accordance with Government Code (GC) section 12460, "The Controller shall submit an annual report to the Governor containing a statement of the funds of the state, its revenues, and the public expenditures during the preceding fiscal year...." In order to comply with GC 12460 and the State Administrative Manual (SAM) section 7950, the SCO must establish deadlines to facilitate year-end closing.

ALL REQUIRED DOCUMENTS THAT ARE TO BE PROCESSED BY JUNE 30, 2016, MUST BE RECEIVED BY THE CLOSE OF BUSINESS (COB) ON JUNE 15, 2016.

Reverting Appropriations

In accordance with GC section 16304.1, "...Upon the expiration of two years, or four years in the case of a fund made up of federal funds, following the last day of the period of its availability, the undisbursed balance in any appropriation shall revert to and become a part of the fund from which the appropriation was made..." All appropriations with a liquidation of encumbrance date of June 30, 2016, will revert as of that date.

The following fiscal year appropriations will revert on June 30, 2016:

- 2011-12 Federal Trust Fund and most Capital Outlay appropriations
- 2013-14 Budget Act appropriations
- Re-appropriated items with a reversion date of June 30, 2016

To facilitate year-end closing, please adhere to the following procedures:

Claim Schedules

All electronic and paper claim schedules must be received by COB on June 15, 2016, to ensure processing by June 30, 2016. Submit claim schedules on a continuous basis to ensure timely processing.

- Claim schedule face sheets (STD. 218) for reverting appropriations must be clearly marked with **“REVERTING APPROPRIATION”** in the claimant section.
- **RUSH** claim schedules should be submitted only when requiring immediate payment.

Remittance Advice

Submit all eFITS and other remittances advices (RA) on a continuous basis to ensure timely processing especially those impacting reverting appropriations. Refer to SAM section 8091, “Remittances to State Treasury”, for further information.

June Expenditures

In accordance with SAM section 7901, “...reconciliations must be completed between the department accounts and the accounts maintained by the SCO to disclose errors as they occur...”

To determine whether sufficient appropriation and cash authority will be available to cover June payroll and other expenditures that must be paid before June 30, 2016, refer to your April 2016 SCO Agency Reconciliation Report. If the balance in the department’s appropriation(s) will not be sufficient, it is your responsibility to contact the Department of Finance and notify the SCO by COB on June 15, 2016, as to the action taken and the transaction request required to process these expenditures.

Transaction Requests and Architectural Revolving Fund (ARF) Forms

All transaction requests and ARF forms must be received by COB on June 15, 2016, to ensure processing by June 30, 2016. Submit transaction requests on a continuous basis to ensure timely processing. Do not attach ARF forms to contracts or claim schedules. Instead, submit ARF forms directly to the attention of Division of Accounting & Reporting.

Reverting Appropriation items should be clearly marked on the document.

Clearing Accounts

Agency clearing accounts for reverting appropriations (FY 2013-14 and re-appropriated items with the reversion date of June 30, 2016) must have a zero balance prior to June 30, 2016.

- Plan of Financial Adjustment requests must be received by COB on June 15, 2016, to allocate all charges in the clearing accounts.
- All payments for the month of June 2016 must be charged directly to the appropriation program or category level.
- Abatements must be credited directly to the appropriation program or category level and NOT to the clearing accounts.

Federal Trust Fund – Cash in Reverting Appropriations

Cash remaining in a reverting Federal Trust Fund appropriation (FY 2011-12) must be returned to the original grant account (1944 Disbursement account) and the funds remitted to the Federal Government. Transaction requests for transferring federal cash and the corresponding claim schedule must be received by COB on June 15, 2016 and marked with “**REVERTING APPROPRIATION**”, if applicable.

For questions or assistance on year-end transactions and procedures, e-mail DAR Budget Act Accounting DARBAAcctg@sco.ca.gov or call the SCO analyst assigned to your agency.

CMH:lc:bm